

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6520**

**BILL NUMBER:** HB 1297

**NOTE PREPARED:** Dec 7, 2004

**BILL AMENDED:**

**SUBJECT:** Annexation of Agricultural Land.

**FIRST AUTHOR:** Rep. Whetstone

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**      **GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** The bill allows a town located in a county that contains a racetrack sanctioned by a nationally chartered and recognized auto racing organization to exempt annexed agricultural land from property tax liability until the land is rezoned under a different classification.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Under current law, all Lake County municipalities and Plainfield, Avon, Michigan City, and Westfield may annex property classified as agricultural and exempt that property from the municipality's portion of property taxes until the property's classification is changed. This bill would allow a town located in a county that contains certain auto racetracks to do the same.

Agricultural land has a relatively low value for property tax purposes. Exemptions of this type of property from property taxes would not represent very much valuation. Therefore, this provision would reduce the property tax base by an insignificant amount for those taxing units that currently serve the property.

However, this provision would also keep the value of this property from being added to the municipality's tax

base. Because the exemption would prevent the shifting of municipal property taxes onto agricultural land, total local revenues would not be affected. A town could annex agricultural property in anticipation of a future project, which could ultimately have a positive fiscal impact in and surrounding the town.

*Background:* Of the more widely known racing organizations that hold auto races in Indiana are the National Association for Stock Car Racing (NASCAR), National Hot Rod Association (NHRA), and Indy Racing League (IRL). At least two auto racetracks are commonly used by these organizations, which are Indianapolis Motor Speedway and Indianapolis Raceway Park (IRP). The Speedway is located within Marion County, while the IRP is located in Hendricks County. This bill would affect towns located within these two counties.

There are likely other auto racetracks that fall under the purview of this bill, however, it is unknown how many and at what locations.

**State Agencies Affected:**

**Local Agencies Affected:** Certain towns.

**Information Sources:** [nascar.com](http://nascar.com); [nhra.com](http://nhra.com); [indyracingleague.com](http://indyracingleague.com).

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